

PART III: VISION – “WHERE DO WE WANT TO BE?”

The *Economic Development Policies and Plan*, State Guide Plan Element 211, has been cited throughout this document and remains the core of the CEDS. The overall economic development goal it sets forth provides a vision statement as relevant today as it was when its predecessor, the *Economic Development Strategy*, was adopted in 1986. That goal is:

To foster and maintain a vigorous economy able to provide an adequate number and variety of activities that generate wealth for the people of the state.

In arriving at that vision, the Statewide Planning Program analyzed many studies of and statements about the area's economy from diverse sources active in economic development at the time. Such practitioners included policymakers within the New England Regional Commission, the Governor's office, the Rhode Island General Assembly, the Strategic Development Commission, and the Statewide Planning Program. Citizen input was also assessed from 1,300 questionnaires. Economic development goals were identified that for the most part were broad in nature and designed to establish public investment priorities that were economically and socially cost-effective in the long term. These goals, which reflected a consensus in both the public and private sectors, were:

1. Economic growth and continued industrial development. Stimulate economic growth and industrial development sufficient to meet the need for jobs in the state, rather than growth as an end in itself. Focus on those firms that can take advantage of Rhode Island's unique assets.
2. Diversified industrial base. Lessen dependence on a particular type of industry or a few major employers. Capitalize on the wide range of the state's resources to build an industrial base capable of withstanding fluctuations in the national economy or in particular industries.
3. “Desirable” growth industries. Seek to attract industries characterized as low energy consuming, high technology, and low- or non-polluting, which, based on past performance and foreseeable trends, are likely to grow at a faster rate than the general economy.

4. Maintenance of existing firms. Highlight the needs of indigenous industry. Acknowledge that the area's economic doldrums are caused only partially by the outmigration of industry, and mainly by the failure of existing industry to thrive here.
5. Urban industry. Relate industrial development to overall land use, including distinguishing between urban and non-urban areas, revitalizing central cities, planning industrial parks, minimizing commuting distances, and developing industry in accord with a sound land use policy.
6. Planning and coordination to maximize efficiency and improve human services delivery. Coordinate planning for human services, including private and public sector activities, as well as coordination of social services with economic development programs.
7. Improved employment opportunities. Reduce unemployment and underemployment. Create employment opportunities that mesh with the skills or interests of the majority of the unemployed. Provide appropriate training programs and upgrade the quality and diversity of jobs available.
8. Improved manpower development resources. Develop labor force data, focus industrial recruitment on local labor resources, provide training and education programs to locate individuals in favorable occupations, and provide employment support services to labor force participants.
9. Increased incomes. Use high wages as a way to orient policy. Increase the opportunities to Rhode Island workers to earn higher, family-wage incomes and consider this a critical policy objective.
10. Optimal infrastructure. Address both *tangible* needs, such as transportation, utilities, goods, water, energy, and waste processing, and *intangible* needs — the “business climate” of the state — including business tax structure, incentives, state posture towards industry, and labor relations.

Ongoing analyses of the Rhode Island economy confirm the long-term trends the *Economic Development Strategy* revealed. The Economic Policy Council's observations and recommendations in *Meeting the Challenge of the New Economy* (1997) and subsequent reports are clearly consonant with those of the *Strategy* and the new *Economic Development Policies and Plan*. Together with the *Plan*, they can provide a real “action plan” for the CEDS.

First, the Policy Council described in *Meeting the Challenge* what Rhode Island “must” do to become “an active and successful competitor in the New Economy.” Rhode Island must:

- Develop new products, adopt new production technologies, increase exports, and enter growing, high value-added industries;
- Generate high and growing real wages and be recognized for high quality jobs and a high caliber workforce;
- Establish a business climate that is hospitable and inviting;
- Provide employment for all Rhode Islanders willing and able to work;
- Be a model of public-private partnerships that generate continued economic development.

Next, the Policy Council assigned specific responsibilities to all actors and players in the Rhode Island economy for achieving the above. These parties were broken down into industry, government, higher education, workers, organized labor, and intermediary organizations such as Chambers of Commerce and non-profit developers. Potential CEDS applicants include municipal governments, institutions of higher learning, and the “intermediary organizations.” The CEDS can thus encourage projects from those groups that help them achieve the tasks set forth in the Policy Council’s report, to wit:

Government: Projects that would build “a world-class economic development system, including a support infrastructure for world-class manufacturing, technology transfer, and innovation-based entrepreneurship.”

Higher education: Projects that would “work closely with industry to commercialize technologies and solve problems.” Higher education can take the lead in expanding and merging technical assistance programs available at the college and university level to manufacturers and other Rhode Island businesses.

Intermediary organizations: Projects that would “develop mechanisms by which firms can learn from each other.” The establishment of industrial clusters by such organizations to address industry-specific problems is a step in this direction.

An important function of the public sector in fostering development is “significant investment” in business capital, human capital, and infrastructure, as the *Economic*

Development Strategy concluded more than 25 years ago. This particular observation has guided the selection and prioritization of the projects contained in Rhode Island's CEDS.

Our system of scoring project proposals under the CEDS is a dynamic one that is revisited regularly by an eight-person subcommittee. This group is drawn from the State Planning Council's Technical Committee and others in the economic development community. All of the members of the subcommittee are potential applicants, and new members are recruited every two years. The subcommittee will make recommendations on revising the criteria and other methods used to select projects, in response to changing economic or political conditions and relevance to local economic development agendas. The subcommittee's recommendations are reviewed by the full Technical Committee, and then go to the State Planning Council. With the final word to approve or alter what the subcommittee recommends, the State Planning Council is able to maintain the proper statewide perspective and keep the system operating within its mission as an implementation mechanism for the *Economic Development Policies and Plan*.